

Exhibit A

1 IN THE UNITED STATES DISTRICT COURT
2
3 FOR THE EASTERN DISTRICT OF PENNSYLVANIA
4
5

6 MLEA, INC., CIVIL ACTION

7 Plaintiff

8 vs.

9 ATLANTIC RECYCLED

 RUBBER INC.,

10 RECOVERY TECHNOLOGIES

 GROUP INC., AND CASELLA

11 WASTE SYSTEMS, INC.,

12 Defendants NO. 02-CV-4393

13
14 Telephone deposition of

15 JAMES BOHLIG, taken at the law

16 offices of Pepper Hamilton LLP, 3000

17 Two Logan Square, 18th and Arch

18 Streets, Philadelphia, Pennsylvania,

19 on Monday, October 27, 2003,

20 commencing at 12:46 p.m., before

21 Barbara McKeon Quinn, a Registered

22 Merit Reporter and Notary Public.
23
24

1 APPEARANCES:

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(via telephone)

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11 Recycled Rubber Inc., and Recovery

Technologies Group Inc.

12 BRIAN J. McCORMICK, JR., ESQUIRE

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16 Counsel for Defendant Casella

Waste Systems, Inc.

17 ALSO PRESENT:

18 Michael Brennan, Esquire

19
20
21
22
23
24

1 A. That's correct. We closed
2 on the KTI position as of December of
3 1999, and the fundamental difference
4 in the two charts, certainly a
5 material difference, is the inclusion
6 of those acquisitions, properties
7 that were held by KTI when we
8 purchased them.

9 There may be some solid
10 waste changes as well that occurred
11 during that course of that year as
12 well, but principally the driving
13 change was KTI.

14 Q. Can you explain in general
15 what led Casella Waste Systems, Inc.,
16 to acquire the KTI entities?

17 MR. McCORMICK: Object to
18 form. You can answer.

19 THE WITNESS: KTI was a
20 recycling resource development
21 corporation with excessive operations
22 in recycling, but had also, from
23 their initial development, had
24 acquired significant municipal solid

1 waste operations, particularly in New
2 England and particularly in the State
3 of Maine through their ownership or
4 part ownership of the Maine Energy
5 facility, the PERC facility, and
6 several hauling transfer and other
7 related operations.

8 We were attracted to the
9 opportunity for filling in our solid
10 waste operations, particularly in
11 Maine, and the assets which they had
12 we felt were significant long-term
13 assets to complement our existing
14 operations.

15 Additionally, being a
16 company located in Vermont with our
17 roots here, we've always had a very
18 high respect for recycling and the
19 aspect that that would play long-term
20 in municipal solid waste operations,
21 and so we were uniquely kind of
22 attracted to their recycling
23 operations, particularly fiber and
24 traditional municipal solid waste

1 recycling operations, and saw many of
2 those operations as potential
3 seedings of places for us to invest
4 and continue to grow our solid waste
5 operation.

6 So we viewed KTI as a
7 hundred million dollar municipal
8 solid waste acquisition with a number
9 of other businesses that might, might
10 complement our overall growth plan.

11 MR. KATAUSKAS: Let me just
12 take care of a housekeeping matter
13 that I should have taken care of up
14 front. I'd like to mark as Exhibit 2
15 my September 26, 2003 letter to Brian
16 McCormick.

17 Do you have that, Brian?

18 MR. McCORMICK: Yes. I've
19 given it to Mr. Bohlig.

20 MR. KATAUSKAS: Okay.
21 Heather, do you have it?

22 MS. RENNIE: Yes. Thank
23 you.

24 BY MR. KATAUSKAS:

1 Q. Jim, have you seen this
2 letter before today?

3 A. No. I've not seen it until
4 just this second ago.

5 MR. KATAUSKAS: Well, this
6 question is really for Brian. And
7 that is, Brian, is Mr. Bohlig being
8 offered as a witness in response to
9 my Rule 30(b)(6) Notice as
10 supplemented by this letter?

11 MR. McCORMICK: Yes, he is.

12 MR. KATAUSKAS: Let me have
13 Barbara mark this.

14 (Exhibit Bohlig 2 was
15 marked for identification.)

16 BY MR. KATAUSKAS:

17 Q. Okay. Let's go back to
18 Exhibit 1. Jim, before the
19 acquisition of KTI, Inc., and its
20 related entities in December of 1999,
21 had Casella Waste Systems, Inc., or
22 any of its subsidiaries that are
23 shown on the first page of Exhibit 1
24 engaged in any cryogenic tire

1 find it.

2 A. I have found it up about
3 the sixth block from the left, yes.

4 Q. On page 655?

5 A. Correct.

6 Q. Now, I may be wrong, but if
7 I'm not, I think that's the first
8 time that that corporate entity, that
9 is, Recovery Technologies Group,
10 Inc., shows up on the Casella Waste
11 Systems Organizational Chart.

12 Does that jibe with your
13 memory of when you either acquired
14 or -- "you" being Casella -- either
15 acquired or created that company?

16 A. Yes. We, we, after
17 acquiring KTI, begin to appreciate
18 that we have kind of a disparate
19 product line organized around the
20 treatment of tires. Some businesses,
21 i.e., Casella T.I.R.E.S. that we had
22 preceded KTI's acquisition; some
23 businesses were buried within the
24 organization as depicted within the

1 KTI organization, and we viewed this
2 necessarily as a product line
3 imperative in order to begin to kind
4 of drive that business.

5 To put the entire tire
6 business under a single product line
7 with a single product line
8 management, and that gave new growth
9 to Recovery Technology, Inc., which
10 we then poured in Recovery
11 Technologies operations, Casella
12 T.I.R.E.S, Recovery Technology
13 Collection Services, the Ontario
14 operation, and the Recovery
15 Technology Canada operation, which
16 included Atlantic Recycled Rubber,
17 Prairie Rubber, and the last box
18 which I do not recognize.

19 Q. The RECI?

20 A. Yes.

21 Q. I don't think I have any
22 questions about that.

23 Again, if I'm not mistaken,
24 the first time Atlantic Recycled

1 Rubber, Inc., shows up in a Casella
2 Waste Systems organizational chart is
3 in the April 30, 2001 chart.

4 Again, I'm not trying to
5 sandbag you; you can take your time
6 and check those charts the way I did,
7 and then let me know when you're
8 ready before you answer.

9 A. Okay. Well, of the four
10 charts given to me, it appears that
11 Atlantic Recycled Rubber does appear
12 first in Exhibit 655, which is dated
13 April 3rd, 2001.

14 Q. Now, going back to the
15 subject of Recovery Technologies
16 Group, Inc., I'm trying to understand
17 your testimony.

18 The use of that corporate
19 entity was an effort to consolidate
20 tire recycling operations?

21 MR. McCORMICK: Object to
22 the form, but you can answer.

23 THE WITNESS: It was an
24 effort to create a single product

1 line operation centered around the
2 treatment of tires.

3 BY MR. KATAUSKAS:

4 Q. Okay.

5 A. And in doing so, to prepare
6 it for sale from the corporation.

7 Q. I'm sorry. Just repeat the
8 last part, Jim.

9 A. And to prepare it for
10 monetization from Casella.

11 Q. Did you say modernization?

12 A. Monetization, to sell it to
13 recover money for it.

14 Q. Got it. Monetizing. Okay.

15 A. Monetization.

16 Q. Monetization, okay. Was
17 Recovery Technologies, Group, Inc.,
18 formed or did Casella acquire an
19 existing corporation? If you recall.

20 A. My recollection is that we
21 chose to bring all of four or five
22 businesses into, into a single entity
23 under a single, you know, product
24 line. And so we, we did that by

1 there's the entity called Atlantic
2 Recycled Rubber, Inc.

3 In or about April 30, 2001,
4 what was your level of knowledge
5 about that company?

6 MR. McCORMICK: Object to
7 the form. Meaning?

8 MR. KATAUSKAS: What did he
9 do know it?

10 MR. McCORMICK: He, Mr.
11 Bohlig, individually or Mr. Bohlig as
12 the 30(b)(6) rep or?

13 MR. KATAUSKAS: He's only
14 got one brain, Brian. What he knew
15 in his capacity as president and COO.

16 MR. McCORMICK: Okay.

17 THE WITNESS: I knew it as
18 the operating entity in Nova Scotia
19 that was administering a long-term
20 tire disposal in a management
21 contract with the province of Nova
22 Scotia.

23 BY MR. KATAUSKAS:

24 Q. Just so I understand this

1 chart, again, we're on the April 30,
2 2001 chart, does the solid line that
3 runs from Recovery Technologies
4 Group, Inc., to Recovery Technologies
5 Canada, Inc., does that indicate that
6 the Recovery Technologies Canada,
7 Inc., is a wholly owned subsidiary of
8 Recovery Technologies Group, Inc.?

9 A. Recovery Technologies
10 Canada, Inc., was held by Recovery
11 Technologies Group, Inc., and I
12 believe that Atlantic Recycled Rubber
13 was wholly owned and, and held by
14 Recovery Technologies, Canada.

15 Q. When you said that Recovery
16 Technologies Canada, Inc., was held
17 by Recovery Technologies Group, Inc.,
18 did you also mean that to mean a
19 wholly owned subsidiary of Recovery
20 Technologies Group, Inc.?

21 A. I, I believe that that
22 is -- I believe that this chart
23 attempted to reflect both
24 organizational space as well as how

1 the entities were actually held.

2 Q. And so is it your
3 understanding that the Recovery
4 Technologies Canada, Inc., as of this
5 date was wholly owned by Recovery
6 Technologies Group, Inc.?

7 A. I believe it was.

8 Q. Same question or similar
9 question actually. Was Recovery
10 Technologies Group, Inc., wholly
11 owned by Casella Waste Systems, Inc.,
12 as of April 30, 2001?

13 A. Yes.

14 Q. Now, look at the last page
15 of Exhibit 1, please, which is the
16 April 30, 2002 Organizational Chart.
17 On this chart, Recovery Technologies
18 Group, Inc., appears up in the upper
19 right-hand corner, the third box down
20 from the right; is that correct, just
21 to locate it?

22 A. It does, yes, that's
23 correct, on 656.

24 Q. Now, if I'm understanding

1 these charts, between April 30, 2001
2 and April 30, 2002, there has been
3 inserted, for lack of a better word,
4 in these charts two entities in
5 between Casella Waste Systems, Inc.,
6 and Recovery Technologies Group, Inc.
7 I'll start that for a foundational
8 question. Is that correct?

9 A. That's correct.

10 Q. And the two entities that
11 have been inserted, if you will, are
12 Casella RTG Investors Co., LLC and
13 below it RTG Holdings Corporation
14 (19.9 percent), right?

15 A. Correct.

16 Q. Again, I'll use the term
17 restructuring. What led to that
18 restructuring?

19 A. Well, first just April 30th
20 is our year, our fiscal year end. So
21 that's the significance of the date
22 on these organization charts. And
23 therefore, between our fiscal 2001,
24 which would be April 30, 2001 fiscal

1 year ending and fiscal year 2002,
2 which is April 30th, 2002, we entered
3 into and sold 80.1 percent of the
4 Recovery Technologies Group to a
5 third party's investor who I think
6 used RTG Holdings Corp. as the
7 vehicle to make that investment, and
8 we retained a 19.9 percent interest
9 in that business upon that transfer.

10 Q. Okay. Thank you. I was
11 going to ask you what the 19.9
12 percent meant. Who's we holding 19.9
13 percent?

14 A. Casella RTG Investors LLC
15 retains a 19.9 percent interest in
16 the entity that was formed to
17 purchase Recovery Technologies Group,
18 and that entity was RTG Holdings
19 Corporation, a corporation formed by
20 Angelo Gordon who was the purchaser
21 of the 80.1 percent or 80.5 percent
22 interest.

23 Q. Going back to the time
24 frame of April 30, 2001, and looking

1 at the Atlantic Recycled Rubber,
2 Inc., box for reference, do you know
3 where Atlantic Recycled Rubber, Inc.,
4 had any operations or facilities as
5 of April 30, 2001?

6 A. Well, I know that they had
7 operations in Nova Scotia, and there
8 were two locations, one that
9 originated with the original purchase
10 of Atlantic Recycled Rubber. I don't
11 know if -- I've been to both sites.
12 I don't know when or how long both
13 sites continued, but eventually it
14 continued -- but eventually, I think
15 most of the operations were
16 consolidated on a single site at the,
17 at the facility in which the new
18 Crumb Rubber operation was built.

19 Q. Would that be in Truro?

20 A. Yes.

21 Q. You say, or did you say you
22 visited the Atlantic Recycled Rubber
23 facility in Truro?

24 A. I did.